

**PAYMENTS  
REQUIRING  
SPECIAL  
PROCESSING**

Occasionally there are placement situations which require special processing. This section provides guidelines for payment of those situations.

Michigan will not pay title IV-E funds to **for-profit** placement agency foster care (PAFC) providers.

Michigan can pay title IV-E funds to **for-profit** child caring institutions (residential).

**Psychiatric  
Hospitalization**

Psychiatric hospitalization cannot be paid with foster care funds. These placements require prior Community Mental Health approval, and are paid by Medicaid.

***Exception:*** When a youth is placed in a mental health institution paid for by Medicaid and is discharged but not moved to another placement, this is considered a non-contracted placement; see FOM 903-04, Purchased Care Payment Procedures.

**Youth in Out-of-  
State Child Care  
Institutions**

Out-of-state placements must be approved by the Interstate Compact Unit, which includes completion of the DHS-4333, Interstate Compact Report on Child's Placement Status, before payments may be made.

Payments may be made for state wards, and in exceptional situations for DHS supervised court wards eligible for title IV-E funding, placed outside the state in a child caring institution.

Any new request to fund an out-of-state residential placement from state ward board and care or title IV-E funds must be accompanied by a memo of certification from the local office director that a search of Michigan residential programs has been conducted and that no appropriate program could be located which would accept the youth for placement. The memo must include a listing of the agencies contacted and their responses; see ICM 140, Interstate

Residential Care Procedures. Completion of the placement requirements of the DHS-4333, Interstate Compact Report on Child's Placement Status, alone is not sufficient.

In addition to the certification requirement, the memo must attest that a plan has been developed to address the foster care or delinquency case management requirements; see ICM 140, Interstate Residential Care Procedures. Further, parent/child visitation (parenting time) must also be considered in the plan when appropriate per FOM 722-06, Developing the Service Plan.

- Local office staff are to:
  - Authorize the placement service in MiSACWIS and route it to the Federal Compliance Division (FCD). If the placement is licensed, a copy of the license must also be attached to the placement service authorization. If the provider number is unknown, complete a DHS-2351X, Provider Enrollment/Change Request, and submit it to FCD at [dhs-federalcompliance@michigan.gov](mailto:dhs-federalcompliance@michigan.gov).
  - Extend the end date in MiSACWIS once the initial authorization has been completed by FCD.
- Ensure that the placement service authorization has been ended when the youth leaves the facility.

**Note:** Out-of-state tuition costs are authorized for state wards only as a case service authorization in MiSACWIS. Tuition is not to be included in the maintenance rate and cannot be paid with title IV-E funds; see FOM 903-09, Case Service Payments.

### State Wards in Out-of-State Family Foster Care

Foster care payments may also be made for state wards, and in exceptional situations for DHS supervised court wards eligible for title IV-E funding, such as court wards in a permanent placement with a fit and willing relative or placement in another planned permanent living arrangement, placed in family foster care outside the state. Payments for out-of-state placements must comply with the rate structure for family foster care in Michigan.

- Authorize the placement service in MiSACWIS and route it to FCD. If the placement is licensed a copy of the license must also be attached to the placement service authorization. If the

provider number is unknown, complete a DHS-2351X, Provider Enrollment/Change Request, and submit it at:

- dhs-federalcompliancedivision@michigan.gov.
- Once the initial authorization has been completed by FCD, the local office can extend the end date in MiSACWIS.

### Youth in Adult Foster Care Home

Payment for wards 16 years of age and older in adult foster homes is made from the appropriate child foster care funding source; such as state ward board and care funds for state wards and county child care funds for court wards. **Title IV-E funding cannot be used for youth placed in an adult foster care home.** This payment cannot be processed locally. Payments are made monthly as a case service authorization in MiSACWIS and approved by the Federal Compliance Division. **Unless the child is already receiving SSI, an SSI application is to be initiated following the instructions in FOM 902-10, SSI Benefits Determination.**

The rate to be paid is to equal the total rate (including the personal care allowance, if appropriate) paid for adults in the home with similar care needs, and is based on the SSI amount paid (Personal Care Rate) for adults in foster care. The personal spending allowance is included in the rate to the adult foster care home and is to be made available for the youth's clothing and spending allowance. Determination of care, assisted care and semiannual clothing payments will **not** be made for youth in adult foster care homes.

State wards attaining age 18 must have plans formulated for an orderly transfer to the Adult Foster Care program no later than the mandatory discharge age of 19. Payments for youth in adult foster care facilities should not continue after the youth's 19th birthday. In limited circumstances, to facilitate the transition, exceptions can be made with **prior** approval from FCD.

### State Wards Living with Relatives

For the definition of a relative; see FOM 721, Foster Care. State ward board and care payments may be made for state wards living with relatives without the relative obtaining a foster home license. The rate for care is the foster care age appropriate rate; see FOM 905-3, Foster Care Rates. A determination of care (DOC) supple-

ment may be authorized, provided the need is justified and documented through the appropriate DOC assessment process.

**Note:** Unrelated caregivers must be licensed as foster parents to receive foster care payments.

If the relative lives in Michigan, complete a DHS-2351X, Provider Enrollment/Change Request, to request enrollment of the relative as a provider. A DOC supplement may be paid to a relative in compliance with the policy and procedures found in FOM 903-03, Payment for Family Foster Care.

If an in-state relative placement is supervised by a placement agency foster care (PAFC) provider, payment for both the treatment/administration rate and the maintenance rate are to be authorized to that agency.

If the **relative lives out-of-state**, follow the directions for out-of-state placements, including sending a DHS-2351X and DHS-659 to the Federal Compliance Division. To initiate payment, the youth must be coded as a state ward in MiSACWIS prior to initiating payment. Also, the relative cannot receive both FIP and foster care payments for the youth for the same time period. If the relative has received a FIP payment for the month in which the youth becomes eligible for state ward board and care payments, close the FIP grant at the end of that month and start the placement service authorization payment effective the first of the next month. The relative can also enter into a repay agreement for the FIP grant and the foster care payments can begin the date the youth became a state ward. To complete this process, attach the repay agreement to the placement service authorization which will be routed to the Federal Compliance Division.

For a youth who is eligible for or receiving RSDI, SSI or other benefits, DHS is to receive these benefit payments if foster care payments are being made. A placement cannot be paid from **both** SSI or RSDI and foster care payments. If a relative chooses to accept the SSI or RSDI instead of the foster payments, no foster care payments can be made. This includes case service payments. The treatment/administration rate, if applicable, would be paid from the youth's fund source.

**Title IV-E Eligible  
Temporary Court  
Wards Over Age 18**

A temporary court ward who is title IV-E eligible and turns 18 years old may continue to receive payment for a foster care placement, provided he/she is in school/training and reasonably **expected to complete the graduation** requirements before his/her 19th birthday. Title IV-E eligibility continues for those eligible wards until the end of the month of graduation, **not** until their 19th birthday. However, if the youth is expected to complete the graduation requirements after his/her 19th birthday, eligibility ends at age 18.

**Documentation of the youth's status in school or training must be in the case record. A new title IV-E age determination is required at age 18.**

**State MCI Wards  
Over Age 18**

The statutory discharge date for MCI wards is 19 years of age. Payment for state wards over age 18 is not dependent on graduating prior to the 19th birthday, **unless** the ward is title IV-E foster care funded. Only then is age a factor in funding the placement. The ward can be switched to state ward board and care at any time title IV-E foster care eligibility ends (prior to age 19).

**Former MCI Wards**

Former MCI wards who have reached the statutory discharge age (19 years) can receive foster care payments for foster care or independent living until age 20; see FOM 901-8, Fund Sources.

The payment source for MCI wards ages 19-20 is limited term and emergency foster care. Only the foster family age appropriate rate or the independent living allowance is paid. There is no payment of placement agency foster care (PAFC) administrative rates, or determination of care (DOC) supplements.

**P.A. 150 State  
Wards Beyond Age  
19**

Placements for Act 150 state wards for whom the committing court has extended jurisdiction to age 21 can be paid from state ward board and care funds.

**Non-Contracted  
Placement**

Placement of a ward with a non-contracted placement agency foster care (PAFC) provider or child caring institution (CCI) is only possible if all other options have been exhausted and no other placement can meet the child's needs; see FOM 903-04, Purchased Care Payment Procedures. If the non-contracted placement is approved by the Business Service Center (BSC) director or designee (only required if the youth has been in the CCI for 12 months or longer) and the Bureau of Child and Adult Licensing (BCAL), the placement service authorization will be automatically routed to the Federal Compliance Division.

**Pre-ten Waiver**

Pre-ten waivers must be requested for any child under the age of 10 placed in a Child Caring Institution (CCI). The DHS-396, Residential Placement Exception Request, must be completed and approved by the Business Service Center (BSC) director or designee for pre-ten waivers in MiSACWIS prior to payment being made. To authorize the placement service route it to FCD.

**Waiver for  
Children with  
Serious Emotional  
Disturbance (SED  
Waiver)**

For counties that currently participate in the Waiver for Children with Serious Emotional Disturbance (SED) Project, a child can be referred to Community Mental Health (CMH) for SED Waiver services. The Department of Community Health (DCH) determines the child's eligibility. For questions regarding this project, contact the Health, Education and Youth Unit. A foster parent or a relative who is receiving foster care payments for a child enrolled in the SED Waiver Project is eligible for the \$50 per diem. The SED Waiver approved rate is only applicable to foster care payments.

**Note:** If adoption subsidy is being applied for during the time a youth receives the SED Waiver, a projected determination of care (DOC) rate will need to be approved for the adoption subsidy contract. The SED Waiver rate does not carry over to an adoption subsidy rate.

Once the local DHS office receives notification from DCH of the child's eligibility for the SED Waiver project, either through letter or e-mail, the worker must submit the DHS-1254, SED Waiver Foster Home Payment Request and Approval, to the behavioral health analyst at the Health, Education and Youth Unit, Permanency Division at 517-335-7789 (fax) for approval and signature. The behavioral health analyst will approve and return the signed DHS-1254 to the worker and the placement agency foster care (PAFC) monitor if appropriate. The approved DHS-1254 must be attached to the placement service authorization and routed to the Federal Compliance Division (FCD) in MiSACWIS.

Placement service authorizations needed in MiSACWIS for a child with an SED Waiver must be submitted to the FCD. The SED Waiver rate is an add on cost in MiSACWIS. Scan and attach the signed DHS-1254, SED Waiver Foster Home Payment Request and Approval, approved by the Health, Education and Youth Unit, to the placement service authorization and route to FCD.

### **Treatment Foster Homes**

Treatment foster homes are provided in limited counties by specific providers. Treatment foster home placements must be approved by the DHS supervisor, identified DHS gatekeeper and documented on the DHS-978, Treatment Foster Care Placement Request.

Treatment foster homes have a standard daily maintenance rate of \$50. Placement service authorizations needed in MiSACWIS for a child placed in a treatment foster home must be routed to FCD for final approval. The approved DHS-978, Treatment Foster Care Placement Request, must be attached to the authorization in MiSACWIS. For placements 12 months or longer, an approved DHS-974, Treatment Foster Care Extension Request, must also be attached to the placement service authorization.

### **Independent Living Payments**

The independent living allowance checks are made payable to the youth. They may be mailed to one of the following:

- The actual location where the youth resides.
- The supervising placement agency foster care (PAFC) provider.
- The local DHS office.

Youth placed in independent living and supervised directly by the DHS worker must **not** be enrolled on Bridges for a provider number.

**Title IV-E funds cannot be used for youth in independent living placements with the exception of through the Young Adult Voluntary Foster Care (YAVFC) Program; see FOM 902-21.**

### Special Change Procedures for Unearned Income

DHS can continue to be the payee for Social Security payments beyond age 18 if the department is paying for the youth's cost of care.

If a youth is directly receiving unearned income it must be budgeted as income and the maintenance rate reduced accordingly in MiS-ACWIS. To convert the monthly payment to a per diem rate, divide by 30.

**Example:** Monthly payment is \$62. \$62 divided by 30 = \$2.07 daily maintenance rate.

It will be necessary for the worker to reduce the maintenance rate and enter the amount as budgetable income in MiSACWIS. The foster care provider and youth must be made aware of this new arrangement and an acceptable plan made for payment to the placement.

**Note:** If the youth is in a training school, institution or other facility for which the placement service authorization cannot be reduced, the youth is to endorse the check and make it payable to DHS. Such checks are to be sent to DHS Cashier's Unit in central office.